

IMMEDIATE

ADDI

Central Intelligence Agency
Washington, D.C. 20505

EA/Executive Director

20 November 1987

NOTE FOR: IG Steering Group

SUBJECT: Expanded Outline II

Attached is the fleshed-out outline for
our meeting at 1430 on Monday, 23 November.

Attachment

STAT

DRAFT OUTLINE FOR MEMO TO THE DCI

I. Summary

A. Identify need to strengthen OIG, especially the investigations capability.

1. Cite Iran-Contra report (OIG didn't have the "manpower, resources or tenacity" to get to the bottom of the situation).
~~Investigative capability not broken, but we can always do better~~

2. But HAC finds that OIG has "a comprehensive and aggressive audit and program evaluation" effort.

3. Strengthen IG's role as a "change-vehicle."

B. Highlight what needs to be done.

1. Improve image/status of IG, clarify/enhance his relationship with DCI and his role within the organization.

2. Strengthen the investigations function. ~~better.)~~ (We can always do better.)

3. Provide new tools (training, regulations, team approach, legal tools, etc.).

4. Enlarge staff and provide greater flow-through of the right people.

5. Develop "early-warning" capability.

II. Issues you raised:

A. IG tours for career development for:

1. Broadening experience.

2. Fostering "unified internal perception" of the Agency.

B. Need to enhance image of IG.

C. Need to encourage coop/candor by employees.

D. Establish separate investigative capability.

E. Provide "working tools" for managers.

F. Make inspection process vital part of management process.

III. Present process/organization

A. Investigations Staff

1. D/IG for Investigations plus investigators/greivance officers on 2-3 year rotation from other components. STAT
2. Functions
 - a. Investigate complaints about employee conduct and reports from employees and other sources of possible violations of law, regulations or procedures.
 - b. Investigate charges and reports of fraud, abuse, conflicts of interest, misfeasance, malfeasance, nonfeasance.
 - c. Investigate EEO complaints and employee grievances.

3. Work load

- a. About investigations per year plus an equal number of consultations/referrals. STAT
- b. About grievances per year plus or so consultations and referrals. STAT
- c. Only EEO cases during the past four years. STAT

4. Process

- a. Largely reactive, though some investigations are "self-generated" as the result of information uncovered during inspections.
- b. Nearly all investigations/grievances are handled by a single IG officer.
- c. Cooperation by employees is rarely a problem. (Handful of recent contrary examples notwithstanding.)
- d. Findings and recommendations approved by the IG unless circumstances dictate consideration by higher authority (??)

B. Inspections Staff

1. D/IG for Inspections (D/IG double-hatted) plus about officers, nearly all of whom are on 2- to 3-year rotational assignments from other components, occasionally augmented by specialists to assist on special-purpose inspections. STAT

2. Functions

- a. Conduct periodic inspections of all Agency components for compliance with regulations and procedures, as well as for effectiveness of their programs.
- b. Survey and evaluate on an ad hoc basis any problem area, subject or issue called to its attention by Agency employees, management, or the IG's own investigations.
- c. Inspections tend to be management- or program-oriented (partly because the DO and DI have their own product evaluation processes).
- d. Provide "working tools" for managers in the form of specific suggestions and recommendations about how best to manage the specific components being inspected.

3. Work load

- a. About "component" and "issue" inspections per year.

STAT

4. Process

- a. Four-month cycle, inspections per cycle.
- b. Five-year revisit schedule for each major component; slight bias towards more 'controversy-prone' components.
- c. Team approach for balance, objectivity.
- d. Proactive - the IG develops and proposes to the DCI/DDCI his own list of candidate inspections.
- e. Findings and Recommendations submitted to the DCI via the EXDIR and DDCI after review and comment by the DD and component(s) concerned.

STAT

C. Audit Staff

- 1. D/IG for Audits plus a permanent staff of nearly auditors, almost half of whom are Certified Public Accountants.

STAT

2. Functions

- a. Perform independent audits of all matters related to receipt, disbursement, and application of funds and assets available to CIA to ensure that all applicable laws and Agency policies, regs and procedures are followed.

3. Work load

- a. ? audits per year, biased toward "higher risk" areas.

4. Process

- a. (Carroll, can you fill us in on cycle, periodicity, etc.).

- b. Findings and recommendations submitted to the DD and component(s) concerned, unless differences on recommendations cannot be resolved at operating levels, in which case they are referred to higher authority.

IV. Strengthening the Investigations Process

A. Problem Areas

1. ~~Without endorsing finding of Iran-Contra committees (see above), recognize that lying on the part of (very) small number of employees has hampered a few significant investigations.~~
very
2. Cooption/bias/inexperience of inspector(s) also an occasional problem.
3. Dispersed information (paper) holdings difficult to search.
4. Attention of investigators diverted or distracted by greivances.
5. Investigators should find facts, not be diverted by concern with recommendations.
6. Other problem areas (not proactive enough?).

B. Desirable improvements

1. Double size of the staff , and staff it with more appropriate officers (e.g., security officers, lawyers, auditors, records specialists...).
2. Develop training program for the staff; inculcate more hardnosed approach to investigations.
3. Strengthen HR on mission and functions of investigations staff.
4. Separate Greivance and Investigations ("Compliance") Staffs, recognize difference in function and style.
5. Use team approach much more frequently, especially where violation of law is likely.

STAT

6. Make more frequent use of signed statements and affidavits (under what circumstances?).
7. Provide for testimony under oath in selected circumstances.
8. With Comptroller, OGC, OCA, and others, develop an 'investigative risk' list, identifying areas or programs whose activities merit closer than average attention--i.e., develop a more proactive, intrusive stance in ferreting out illegalities. ?
9. Separate fact-finding from development of recommendations (investigators do fact-finding; IG develops recommendations).
10. Develop closer working relationship between Inspection and Investigation Staffs (mainly through short rotationals).
11. Expand OGC's existing program of compliance briefings - IG to participate; encourage more frequent/earlier reference of component compliance cases to the IG. (Develop new rules concerning responsibility of component chiefs to report.)
12. Enhance accountability for IG disciplinary recommendations by providing uniform post-recommendation review process.

V. Improving the Inspection Process

A. Problem Areas

1. Career development potential of the Inspection Staff being inadequately exploited; inspection process needs to become more of a vehicle for change and improvement within the Agency.
2. Need to improve image of OIG.
3. Need to ensure compliance with and followup to IG recommendations; make it clear that approved IG recommendations are DCI directives.

B. Suggested Improvements

1. Staffing adjustments: greater flow-through of the right (not necessarily better) people.
 - a. Goal is to staff inspection functions with future office directors/division chiefs--future top managers.
 - b. Goal should be annual flow-through of about of the highest performing SIS-1, 2, and 3s from each career service. (At the moment, the pool from which these would be drawn is made up of Category I officers across the Agency.)

STAT
STAT

- c. Obtain more SIS slots for the IG to reduce burden on other career services. (If we're really serious, this is necessary step.)
- d. Switch to annual, vice 2- or 3-year, tours for 60 percent or so of the Inspection Staff.
- e. Rethink the use of "permanent" cadre to provide necessary continuity and experience. (High-powered new rotational work force will need high quality management/leadership.)
- f. IG should monitor the rotational program, as well as the subsequent assignment of "graduates" from the program; they need to be seen to be doing well, which only will be achieved by picking people destined for senior positions.
- g. Develop short training course for inspectors, emphasizing goals of the inspection process in addition to techniques for achieving results.

2. Procedural adjustments

- a. Status of IG needs to be enhanced or clarified, especially his relationship to the DCI--IG will have direct access to the DCI.
- b. DCI needs to reaffirm his support for the IG and the inspection process.
- c. Strengthen language in HR on role of IG and relationship to DCI.
- d. Develop a "surprise" inspection capability to complement more aggressive investigations program.
- e. Develop a uniform followup program to monitor compliance with IG (i.e., DCI) recommendations.
- f. To enhance utility of inspection reports as vehicles for change, ensure that they are circulated among top component managers.
- g. Achieve better balance between management or program focus and product focus in inspections--i.e., place more emphasis on question of "customer satisfaction."
- h. IG to mix component inspections and "issue" inspections to meet requirements of the times.
- i. Are the five-year revisit rate and four-month cycle right?

VI. Recommendations

A. Investigations-related:

1. Procedural, regulatory or organizational.
 - a. Establish separate Grievance and Investigations (or "Compliance") Staffs. *rename ?*
 - b. Strengthen/clarify separate role of the Investigations Staff versus the Inspections and (new) Grievance Staffs.
 - c. Use team approach whenever Agency equities are involved.
 - d. Add more tools--signed statements, affidavits, take testimony.
 - e. Separate fact-finding from recommendations.
 - f. Expand compliance briefing program.
2. Staffing adjustments
 - a. Enlarge staff and redefine requirements for service to include officers with related experience/skills. Build permanent legal, security representation into the staff.
 - b. Develop training program to support more hardnosed approach.

B. Inspections-related:

1. Procedural
 - a. Continue to stress management and compliance issues versus evaluation of product. *(but see V 2 g, above)*
 - b. Increase frequency of issue-oriented inspections.
 - c. Leave revisit schedule/four month cycle as now, except as modified by 'investigative risk' process described above.
2. Staffing adjustments
 - a. DDs each will cough up ☐ of highest performing (Category I) SIS-1/2/3 per year, on schedule developed by IG for one-year rotational tours.
 - b. IG will get ☐ more SIS slots to ease the burden on directorates and show we are serious about the program.

STAT

STAT

C. Overall

c. IG will develop mechanism for monitoring rotational program and subsequent assignment of departing rotatees.

d. OTE shall develop short training program for rotatees with IG guidance/help.

1. Strengthen role/authority of IG and his relationship with DCI (through revised HR, employee notice from DCI, etc.).

2. Adopt more proactive, intrusive stance via investigations hit-list and selective use of surprise inspections. } 3

3. DCI/DDCI will get executive summary/recommendations "tear sheet" on all inspections/investigations produced to ensure opportunity for involvement.

4. Develop uniform aggressive followup program on IG recommendations designed to ensure component response, or 'DCI will know reason why'.

5. Develop closer working relationships between and among OIG staffs by more vigorous/systematic rotational program.